

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:414

ANSWERED ON:01.12.2015

Production of Fertilizer Industry

Chavan Shri Harishchandra Deoram;Shetti Shri Raju alias Devappa Anna

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether a section of the fertilizer industry has urged the Government to look into its problems, help the industry and prevent fertilizer imports;
- (b) whether production of fertilizers was suspended by several companies and the shortfall had to be met by imports; and
- (c) whether the Government proposes to take any steps under the "Make in India" initiatives to protect the fertilizer industry and make the country self-reliant in fertilizers, if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI HANSRAJ GANGARAM AHIR)

(a): Department of Fertilizers, from time to time, keep receiving representations from fertilizer industry on various issues which are looked into by the Department on timely basis. No representation/request has been received so far for preventing import of fertilizers.

(b): No, Madam. However, during the financial year 2014-15, most of the urea units produced urea beyond reassessed capacity and cut-off level, however, did not reach target level as per New Investment Policy (NIP) – 2008 as the same had become financially unviable due to higher gas price and lower Import Parity Price (IPP).

(c): The Government has notified amendment to New Investment Policy – 2012 on 7th October 2014 to facilitate fresh investment in urea sector i.e. setting up of Greenfield and Brownfield (Expansion) projects and to make India self sufficient in the urea sector.

The New Urea Policy (NUP)-2015 for existing gas based urea manufacturing units was announced on 25th May, 2015 with the twin objectives of maximizing indigenous urea production and promoting energy efficiency in urea production while rationalizing subsidy burden on the Government. This policy help to prepare the domestic urea sector to become globally competitive in terms of energy efficiency.

The Government has approved the revival of two units of Fertilizer Corporation of India Limited (FCIL) viz., Talcher and Ramagundam on nomination basis to the Central Public Sector Undertakings and also the revival of two closed units of FCIL viz., Sindri and Gorakhpur and one unit of Hindustan Fertilizer Corporation Limited (HFCL) viz., Barauni through bidding route, in addition to revival of setting up of a new ammonia urea unit in Bhrmaputra Valley Fertilizer Corporation Limited (BVFCL)-Namrup under Public Private Partnership.
